CONFIDENTIAL

DDI-*2931*-72

MEMORANDUM FOR: Deputy Director for Intelligence

SUBJECT   : Washington Star Articles, "Big
                  Soviet Wheat Deal," Parts 1 and 2
                  (29 and 30 October 1972)

1. The Star articles provide an excellent and
accurate chronology of the US-Soviet wheat negotiations
and contain the most complete breakdown by company
seen to date. OER's estimate of US wheat sales was
based on information confirmed[   ]
[   ]in mid-August and totaled 10.85 million tons.
More information on contracts by the smaller companies
such as Bunge and Garnac allowed the Star to reach a
slightly higher total of 11.15 million tons. Domestic
Contact Service now is checking the Star figures with
our grain company contacts.

25X1

2. The only blatant error is in the article of
29 October and concerns USDA's publications on Soviet
crop prospects. It claims that a memo from the US
agricultural attache in Moscow dated 5 July "provided
the first hard evidence of the urgent Russian need
for wheat." The Star claims that it was ordered classi-
fied on 6 July and was only released in part in late
July. Actually, the memo referred to was a telegram
(Moscow 6400, 5 July 1972) and was originally classified
LOU, the usual procedure. It was not reclassified
later as the Star claims. It did provide the first
grain production estimates (10 million tons below 1971)
and was used by the Economic Research Service, USDA,
in an unclassified report of 14 July and a subsequent
press release of 20 July. However, it was not "the

CONFIDENTIAL

first hard evidence" of the Soviet crop problems as
the Star contends. An unclassified FAS Moscow airgram
(SS2021) dated 26 June reported that one-third of the
winter grain had been destroyed and even stated that
"The anticipated drop in wheat production could cause
additional purchases of wheat later this year...."

    3. The articles thus far contain no new infor-
mation other than the company breakdown referred to
above.

25X1

Deputy Director
Economic Research

-2-